



Roy Cooper, Governor

Todd Ishee, Secretary

MEMORANDUM

To: Joint Legislative Oversight Committee on Justice and Public Safety
Fiscal Research Division

From: Todd E. Ishee, Secretary 

Re: 340B Drug Pricing Program

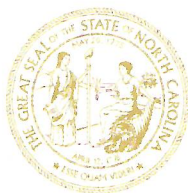
Date: October 01, 2023

Pursuant to N.C.G.S. § 143B-1476, The Department of Adult Correction shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Fiscal Research Division by October 1, 2020, and annually thereafter, regarding:

- (1) Savings achieved from its partnership with the Department of Health and Human Services for the purchasing of certain medications for inmates under the federal 340B Program.*
- (2) Savings achieved from its partnership with the University of North Carolina Health Care System for the provision of inmate medications and services under the federal 340B Program.*
- (3) Savings achieved from the partnerships between the four prison regions and North Carolina 340B Program entities for the provision of inmate medications and services under the federal 340B Program.*

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FROM THE OFFICE OF:
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Secretary
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<http://dac.nc.gov>

Pursuant to N.C.G.S. § 143B-1476, the Department of Adult Correction shall report to the Joint Legislative Oversight Committee on Justice and Public Safety and the Fiscal Research Division by October 1, 2020, and annually thereafter, regarding:

143B-1476 (1) Savings achieved from its partnership with the Department of Health and Human Services for the purchasing of certain medications for inmates under the federal 340B Program.

The 340B cost avoidance achieved on purchases for fiscal year, July 1, 2022, through June 30, 2023, was \$10,237,510. This cost avoidance was reported at the 340B Oversight Committee meeting on September 12, 2023. The 340B Drug Pricing Program at the Apex Central Pharmacy has seen a 39% increase in prescription volume over the last fiscal year.

143B-1476 (2) Savings achieved from its partnership with the University of North Carolina Health Care System for the provision of inmate medications and services under the federal 340B Program.

Federal 340B Drug Pricing Program Omnibus Guidance, published in the Federal Register, requires that 340B covered entities maintain ownership of individual health care records. UNC-HCS, the covered entity, does not maintain the healthcare records for state inmates in custody of the Division of Prisons. Therefore, a partnership under the established model of care relationship between UNC-HCS and NC DAC is prohibited by federal law.

143B-1476 (b) Savings achieved from the partnerships between the four prison regions and North Carolina 340B Program entities for the provision of inmate medications and services under the federal 340B Program.

After a reward wasn't issued from a RFI in January 2020 a 340B Pharmacy Consultant, outside the RFI, was hired in October of 2020. The Pharmacy Consultant was hired to implement the 340B Drug Pricing Program through the partnership between the North Carolina Department of Health and Human Services and the North Carolina Department of Adult Correction.